

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: IOWA TELECOMMUNICATIONS SERVICES, INC., d/b/a IOWA TELECOM	DOCKET NO. SPU-04-10
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ORDER DENYING MOTION FOR RECONSIDERATION

(Issued May 28, 2004)

On April 12, 2004, Iowa Telecommunications Services, Inc., d/b/a Iowa Telecom (Iowa Telecom), filed with the Utilities Board (Board) an application for review of a proposed reorganization pursuant to Iowa Code § 476.77. Iowa Telecom proposes a reorganization in which it will publicly offer certain Income Deposit Securities for sale. The Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed an objection to Iowa Telecom's request on May 10, 2004. On May 12, 2004, the Board issued an order docketing Iowa Telecom's request for further review, denying Iowa Telecom's request for a waiver of the reorganization review requirements of Iowa Code § 476.77, and establishing an expedited procedural schedule.

On May 18, 2004, Iowa Telecom filed a motion to reconsider the Board's May 12, 2004, order and again seeks a waiver of the reorganization review requirement of Iowa Code § 476.77 or, alternatively, to expedite the reorganization review process.

In support of its motion, Iowa Telecom states that the Board did not apply the standards for waiver set forth in 199 IAC 1.3 when it issued its May 12, 2004, order and that the application of those standards should be applied at this time. In addition, Iowa Telecom offered responses to several of the issues raised in Consumer Advocate's May 10, 2004, objection stating that its proposed reorganization is a refinancing and that the Consumer Advocate's assumption that the refinancing will result in some rate impact on Iowa customers is false.

Consumer Advocate filed a resistance to Iowa Telecom's motion on May 21, 2004, stating that Iowa Telecom's proposed recapitalization and dividend policy will directly affect its financial position and will potentially impact customers.

The Board will deny Iowa Telecom's motion for reconsideration. Consumer Advocate's objection raises issues regarding Iowa Telecom's proposed reorganization that precludes the Board from making a finding that a review of the proposed reorganization is not necessary in the public interest. Iowa Code § 476.77(4). Iowa Telecom has not provided sufficient information to cause a reconsideration of the Board's May 12, 2004, order.

In the alternative, Iowa Telecom requested that the review process be expedited. The Board's May 12, 2004, order established an expedited schedule. This schedule will remain in effect. The Board will not further expedite the schedule because there must be adequate time for the Board and Consumer Advocate to review the proposed reorganization.

IT IS THEREFORE ORDERED:

The "Motion for Reconsideration" filed by Iowa Telecommunications Services, Inc., d/b/a Iowa Telecom on May 18, 2004, is denied.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 28th day of May, 2004.